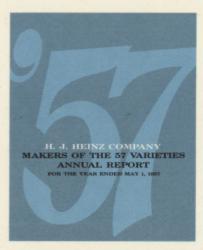
CLEVELAND PUBLIC LIBRARY BUSINESS INFORMATION BUREAU CORPORATION FILE

# H. J. HEINZ COMPANY MAKERS OF THE 57 VARIETIES ANNUAL REPORT

FOR THE YEAR ENDED MAY 1, 1957



For six decades, the number 57 has ranked as one of the world's best-known trademarks. This year, the Heinz trademark takes on special significance, and so the cover of this annual report emphasizes the happy coincidence between our 57 and the 57th year of the century. That coincidence has been the subject of one of the most complete promotion campaigns in our eventful merchandising history. On last New Year's Eve, this campaign began with an eighty-six-station television salute, and will continue in television and other media until the last toll of the bells on December thirty-first of 1957.

Annual Report of

# H.J.HEINZ COMPANY

Makers of the 57 Varieties

FOR THE YEAR ENDED MAY 1, 1957



H. J. HEINZ COMPANY

P.O. BOX 57, PITTSBURGH 30, PA.

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# TRANSFER AGENTS

City Bank Farmers Trust Company, New York, N.Y. Mellon National Bank and Trust Company, Pittsburgh, Pa.

# REGISTRARS

Guaranty Trust Company of New York, N.Y. Fidelity Trust Company, Pittsburgh, Pa.

DIVIDEND DISBURSING AGENT Mellon National Bank and Trust Company, Pittsburgh, Pa.

ANNUAL MEETING Second Friday of September, 2 p.m., Pittsburgh, Pa.

PITTSBURGH, PA.

# **BOARD OF DIRECTORS**

Henry J. Heinz II Frank Armour, Jr. C. Lee Rumberger
Herbert N. Riley Frank B. Cliffe Frank T. Sherk
Arthur L. Schiel Junius F. Allen Norman E. Daniels
Charles Heinz P. Kenneth Shoemaker B. Dent Graham
John L. Given (Died May 20, 1957)

# **EXECUTIVE COMMITTEE**

Henry J. Heinz II Frank Armour, Jr. Frank B. Cliffe Junius F. Allen Frank T. Sherk

# FINANCE COMMITTEE

Frank B. Cliffe Carl A. Brinkman R. Burt Gookin

### **EXECUTIVE OFFICE**

Henry J. Heinz II
Frank Armour, Jr
Frank B. CliffeVice President and Secretary
Junius F. AllenVice President—Foreign Operations
Carl A. Brinkman
Charles HeinzVice President—Personnel
Frederick C. Heinz Vice President—Industry Relations

# OPERATING EXECUTIVES

# AUSTRALIA

H. J. Heinz Company, Pty., Ltd. Dandenong, Victoria

Resident Directors:	
John A. W. Ross	. Managing Director
Henry G. Dennett	
W. Norman Owen	Sales and Advertising
Leonard S. Crowe	
W. Wentworth Watt	Comptroller

# GREAT BRITAIN

H. J. HEINZ COMPANY, LTD. London, England

Resident Directors:
Frederick G. Crabb
Joseph E. Hutchinson
Research, Development and Quality Control
A. Gordon EsslemontSecretary
Arthur A. Morgan
Bert A. Harris Engineering and Construction
John Eccles
Anthony Beresford
William B. CormackRetired Managing Director

### CANADA

H. J. Heinz Company of Canada, Ltd. Leamington, Ontario

Resident Directors:	
Frank T. Sherk	. Executive Vice President
Morris S. Dixon	Manufacturing
Leonard S. Crimp	
Edward V. Anderson	Marketing
John M. Page	Comptroller and Secretary
Edward V. Anderson	Marketing

# UNITED STATES H. J. HEINZ COMPANY Pittsburgh, Pa.

Frank Armour, Jr... Executive Vice President, Chairman U.S.A. Operating Committee Norman E. Daniels... Vice President—Purchases R. Burt Gookin... Comptroller B. Dent Graham... Vice President—Marketing C. Lee Rumberger... Vice President—Research and Quality Control John D. Scott... Vice President—Sales P. Kenneth Shoemaker... Vice President—Manufacturing Ross E. Jones... Vice President—Distribution

AND SUBSIDIARIES

# SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

### FISCAL YEAR ENDED May 2, 1956 April 27, 1955 May 1, 1957 53 Weeks 52 Weeks 52 Weeks \$262,425,046 \$234,179,207 Net Income for the year.....\$ 10,626,252 \$ 10,583,944 \$ 8,782,324 Net Income as a Percentage of Net Sales..... 3.8% 4.0% 3.8% Net Income per Share of Common Stock.....\$ 6.12 6.09 5.02 \$ \$ Dividends Paid on Preferred Stock.....\$ 293,417 300,086 309,496 Dividends Paid on Common Stock.....\$ 3,377,794 3,040,014 3,039,799 Dividends Paid per Share of Common Stock.....\$ 2.00 \$ 1.80 \$ 1.80 Net Income Retained in Business......\$ 6.955.041 7,243,844 5,433,029 Net Income Retained per Share of Common Stock.....\$ \$ 4.29 \$ 4.12 3.22 Total Taxes Charged to Income.....\$ 14,195,804 \$ 14,538,944 \$ 11,684,442 Total Taxes per Share of Common Stock.....\$ \$ \$ 8.41 8.61 6.92 1,075,000 \$ 5,284,000

# PRESIDENT'S REPORT TO STOCKHOLDERS AND EMPLOYEES

Our sales reached a new high in our 88th year of operations, with consolidated sales of \$278,852,384, or 6% more than the \$262,425,046 recorded in the previous year.

Consolidated net income for the fiscal year ended May 1, 1957, was \$10,626,252, also a new high, slightly better than the \$10,583,944 earned in fiscal year 1956. After providing for the payment of preferred dividends, this income is equal to \$6.12 per share of common stock as compared with \$6.09 per share last year.

This was the 46th consecutive year dividends were paid on the common stock of the Company. In December 1956 the Board of Directors increased the quarterly dividend, payable in January 1957, to \$.55 a share, a 22% increase from the \$.45 per share, which rate had been maintained for some years. The dividend paid in April 1957 was also \$.55 per share, making the total paid on each share for the full fiscal year \$2.00.

Regular quarterly payment of dividends on the Company's \$100 par value preferred shares continued at the annual rate of \$3.65 per share.

During the year we expended \$12 million, in our continuing program to increase production capacity and further modernize our facilities throughout the world. We are now midway through a \$50 million capital expenditure program begun in 1953.

The following important changes in our Board and among our operating executives were induced by both time and progress.

Norman E. Daniels and B. Dent Graham were added to the Board of Directors at the Annual Stockholders Meeting last September. Mr. Daniels, Vice President—Purchases, has been with the Company since 1925, when he was employed as a clerk at Muscatine Factory. Mr. Graham, Vice President—Marketing, has twenty-nine years of service, beginning as a salesman in Youngstown, Ohio.

On October 1, 1956, William B. Cormack, Managing Director of the British Company since 1946 and a Director of the Parent Company, retired from these responsibilities, but will continue to serve as a member of the British Board.

Frederick G. Crabb was appointed Managing Director of the British Company, effective October 1, 1956. Mr. Crabb was employed in 1927 as a Clerk, served as Treasurer and Controller, and was Deputy Managing Director prior to his recent appointment.

On April 30, 1957, Herbert N. Riley, Executive Vice President, retired from active service after an illustrious career with the Company spanning almost forty-five years. Mr. Riley will continue to serve as a member of the Company's Board of Directors.

Frank Armour, Jr., Vice President—United States Operations, has been elected Executive Vice President of the Company. Mr. Armour has been associated with the Company since 1927, and has worked in virtually every phase of the Company's operations, giving him a well-rounded background of experience.

Frank T. Sherk, Executive Vice President of H. J. Heinz Company of Canada, Ltd., has been elected a member of the Executive Committee.

It is with regret that we record the death, on May 20, 1957, of Mr. John L. Given, who was first associated with the Company in 1911 and had been a Director since 1948.

John D. Scott, General Sales Manager, has been elected Vice President—Sales. Mr. Scott joined the Company in 1932 as a salesman in Pittsburgh.

Ross E. Jones, General Manager—Distribution, has been elected Vice President—Distribution. Mr. Jones was first employed as a clerk in the Home Office in 1922.

The Australian Board of Directors was enlarged by the election of two new members—Leonard S. Crowe, Director of Manufacturing, and W. Wentworth Watt, Comptroller. Mr. Crowe, an engineer by profession, was the fourth person to be employed when the Australian Company was established in 1935. Mr. Watt has been with Heinz for more than thirty years, having been associated with the British Company prior to joining the Australian staff in 1951.

Gerald K. Warner, after nine years of service with the Australian Company, relinquished his position as Director of Manufacturing in that Company to return to the United States, where he rejoined the central engineering staff.

In August 1956, John M. Page, Comptroller-Secretary, was elected a Director of the Canadian Company. Mr. Page joined the Company in May 1945, after serving as a pilot with the Canadian Air Force during World War II.

A Finance Committee was established last fall, composed of Frank B. Cliffe, Vice President and Chief Financial Officer, Carl A. Brinkman, Treasurer, and R. Burt Gookin, Comptroller.

The future growth and stability of this Company are assured by the continuing development of management personnel at all levels of our organization.

We are being challenged continually by such wide and diverse influences as technological progress in food processing, the impact of electronics in both factory and office, tactics of competition, the discoveries of food research, and problems created by inflationary pressures as evidenced by rising cost of raw materials and labor.

We firmly believe that we can meet those challenges successfully.

- Heur

# HEINZ IN THE UNITED STATES

Sales of the Company in United States for fiscal year 1957 were modestly higher than sales in 1956. Net income was less than in the previous year, principally because of large, planned, non-recurring expenses. Efficiencies realized from improved manufacturing methods were almost sufficient to offset increased packaging and material costs.

Like all other food processors, we were subjected to severe pressures from the continued rising cost of labor, ingredients, packages and transportation, and from our inability to recover immediately these increased costs through higher selling prices.

Super markets, where price competition is most conspicuous, continue to increase their share of the total grocery volume. The 27,100 super markets representing 9% of the number of food stores in the United States now account for more than 60% of all groceries sold. Selling and servicing these big volume outlets requires great skill, ingenuity and merchandising knowledge.

Two years ago we began to modify our distribution system in order to reduce costs, improve our service to our customers, and be more flexible in meeting their delivery requirements. About 70% of our sales to independent grocers is now being handled through cooperatives, voluntary chain groups or wholesale distributors. Through utilization of these distribution channels, more Heinz products are available in more stores to more consumers.

# Campside Beans and Other New Varieties

During the year, we introduced an exciting new flavor in beans—Campside Beans—a Heinz original. Launched with a comprehensive advertising and sales promotion plan, nationwide distribution of Campside Beans was achieved within a period of 90 days. These tangy, lightly smoke-flavored beans require no "doctoring" by the housewife. There's nothing to do but "heat 'em and eat 'em." Introductory and repeat sales indicate a good potential for this new product.

Six new Baby Foods have been developed during

the year. Characteristic of this group is our new Strained Potatoes, which capture a delightful baked potato flavor. Other equally flavorful additions include Strained Chicken Noodle Dinner; Strained Vegetables, Egg Noodles and Chicken; Junior Cereal, Eggs and Bacon; Junior Vegetables, Egg Noodles and Chicken; and Junior Spaghetti, Tomato Sauce and Meat.

Recipe and product development receives constant study. The improvement of existing varieties and the search for new products and packages go on unceasingly.

# Building Program

With the completion of a new manufacturing building at Tracy Factory last February, and with the addition of new vinegar generators and vinegar storage tanks, the consolidation of the Berkeley and Tracy manufacturing operations was accomplished. The move was achieved in an orderly fashion in the last two years without disruption of our service to customers. The Berkeley plant is now available for sale.

In Pittsburgh, adjoining the general offices and manufacturing area, a Research and Quality Control Center is being erected and is expected to be completed and occupied late in 1957. This modern eightstory steel-frame air-conditioned building will have exterior walls of glass with aluminum mullions. Exterior washing will be achieved through the use of an ingenious electrically-operated scaffold device suspended from a track on the perimeter of the roof. The building was designed by Skidmore, Owings & Merrill, and the general contractor is George A. Fuller Company.

The building will contain office and laboratory facilities for Research, Quality Control and Engineering, with an adjacent pilot plant for experimental and development work. The Purchasing Division and Corporate Executive Offices will also be located here.

A substantial program of construction and rehabilitation of the factory at Holland, Michigan, is progressing according to schedule. Final contracts have been let for the completion of manufacturing facilities totaling 125,000 square feet, new or remodeled ware-

housing space of 180,000 square feet, and office facilities comprising about 35,000 square feet. When this extensive program is completed in 1959 we will have at Holland a completely integrated facility of contemporary design for the processing of pickles and the production of Heinz vinegars. Significant improvement in operating efficiency will be realized.

At Muscatine, Iowa, a similar but even more extensive modernization program is in progress. Phase I of a three-phase plan has been completed, adding or replacing some 200,000 square feet of manufacturing and warehousing floor space. Phase II, now under way, will include the erection of a building to provide 113,000 square feet of warehouse space. Completion of this phase is estimated for June 1958. Phase III, still in the planning stage, envisages the addition of a substantial manufacturing building and enlarged office facilities.

# Production

New production records were established in domestic factories during fiscal year 1957. An all-time high was reached in total production, both in dozens and in tons.

The tonnage of tomatoes processed in 1956 was greater than ever before, permitting the production of 33% more Tomato Ketchup than the previous record pack of 1951.

# Contract Crops

Significant improvements have been made in the growing of the major crops required in our business. Our growers have increased their average yield per acre of cucumbers by 180% since 1946 and the average yield per acre for tomatoes by 112% during the same period. Technically, this is the result of research directed at the improvement of plant varieties and the extension of scientific crop protection from plant parasites and viruses. Of equal importance, however, has been the willingness of intelligent and progressive growers to adopt new concepts. The practical application of the results of research and experimentation has made the growing of crops more profitable and attractive to the farmers who supply us.

The increase in land productivity is strikingly illustrated by the following Heinz statistics: In 1956, compared with 1946, our growers raised 51% more tomatoes on 29% less acreage. They produced 112% more bushels per acre, and received 103% greater gross income per acre.

# Electronic Data Processing

Electronic computers and their application to our voluminous operating data have been under constant detailed and comprehensive study for the past two years. On the basis of evidence collected, we ordered one of the better-known large-capacity computers. Meanwhile, programming procedures are being developed and tested, preparatory to installation of the system in May 1958. Eventually, the system will be applied to sales analysis and related statistical reports, order processing and billing, inventory control, and production scheduling and payrolls.

A staff selected from our employees has been trained. The installation of the electronic computer is a major and necessary step toward the development of a company-wide integrated data processing system to obtain improved planning, co-ordination and management control at lower operating cost.

# HEINZ IN AUSTRALIA

Heinz in Australia entered fiscal year 1957 with severe shortages of tomato products and green peas, which normally provide a substantial part of the sales volume.

Persistent sales efforts on products that were available overcame this handicap, however, and a substantial increase in sales was achieved.

Operating profitability improved because of increased production, improved manufacturing efficiency and control of expenses.

In contrast to fiscal year 1956, an above-average tomato crop was harvested in 1957, production schedules were fully met and a reserve inventory of tomato solids has been created.

In 1957 our principal varieties maintained a satis-

factory rate of growth. The market for Baby Foods continues to expand. An interesting feature of Australian Baby Food sales is that Junior Foods sell in nearly as large a volume as Strained Foods. Twenty-one varieties of Strained and thirteen varieties of Junior Foods are now being produced and marketed in Australia.

A vigorous policy of new product development was pursued during the year. The Australian Company marketed an entirely new line of Condensed Soups to replace the ready-to-serve varieties previously sold. These new Condensed Soups are meeting with favorable consumer acceptance.

The Company also introduced to the Australian consumer a number of "Quickies," similar to the "Minute Meals" marketed in the United States. These new varieties have been well received, and there is every indication that they will become another successful Heinz line.

The new plant at Dandenong, Victoria, opened in November 1955, is now functioning smoothly, and all administrative offices and staffs are located there. A program of amalgamation and co-ordination of functions is being followed and is resulting in greater efficiency and staff economies.

The Australian Company introduced a new contributory Pension and Assurance Plan, which replaces a non-contributory plan. The new fund is designed to provide more adequate pensions and substantial life insurance for employees.

# HEINZ IN GREAT BRITAIN

A substantial increase in sales and earnings produced another record year for the British Company.

This is especially gratifying, considering the continued upward trend of costs—a trend that was accelerated by the Suez crisis. The increase in the price of packaging materials was the steepest since the Korean War, and the over-all cost of all ingredient and packaging materials rose some 4% during the year. We were able to offset these rising costs largely

by lower unit overhead costs, due to increased volume and to more efficient operating performance. Some selling prices were advanced, but this was equivalent to no more than a 1% increase in Heinz prices, whereas food prices generally in the United Kingdom rose 4%.

New facilities incorporating the most up-to-date processing techniques for Baked Beans and Soups were installed at the Harlesden Factory during the year. These provided urgently needed additional production to help meet the consumer demand for these main volume lines.

Production will begin at our new factory at Kitt Green in the spring of 1958. This integrated manufacturing facility of contemporary design is being built on a company-owned 150-acre site near the city of Wigan in Lancashire. When completed the combined floor area of the buildings will be well over three-quarters of a million square feet. It will provide for three major features: a two-story main building 632 feet by 444 feet for production and warehousing; a three-story employee service building; and buildings for can-making, workshops and power house. A unique feature of the manufacturing building will be the use of glass exterior walls completely surrounding the production areas.

When in production this new factory will relieve materially the existing congestion at the Harlesden and Standish factories. We shall then be able to proceed at Harlesden with the orderly modernization of facilities. This improvement has been hampered in recent years by the constant pressure for immediate production.

The new factory will give us a major production center in the Midlands to serve the great northern British market, permitting Harlesden to concentrate on serving the densely populated southern area.

# HEINZ IN CANADA

Canadian Company sales for fiscal year 1957 were the highest on record. As in the United States, a major change has been made in the Company's distribution methods. With only minor exceptions, all our business with independent stores is now channeled through wholesalers and group store organizations.

The continuing growth of the business has created a need for additional office, manufacturing and warehousing facilities. Construction was commenced this spring on an addition to the office at Leamington, Ontario, which, when completed, will add 50% to the existing area. About the same time work was started on the construction of a new tomato rig and storage

building to increase tomato processing capacity by 40%. The new building will provide much needed additional space for handling and storage of ingredient materials and raw products.

The development of new varieties continues to contribute to the successful operation of the Canadian Company. During the past fiscal year 19 new varieties were marketed for the first time, 16 of which were Baby Foods. Six new package sizes of present varieties were also introduced.

# PEAT, MARWICK, MITCHELL & Co.

CERTIFIED PUBLIC ACCOUNTANTS
HENRY W. OLIVER BUILDING
PITTSBURGH 22, PA.

# ACCOUNTANTS' REPORT

To the Stockholders, H. J. Heinz Company:

We have examined the consolidated balance sheet of H. J. Heinz Company and subsidiaries as of May 1, 1957 and the related statements of income and surplus for the fiscal year then ended. Our examination, which included the Company and its Canadian subsidiary but did not include the British and Australian subsidiaries (which are of major importance), was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. As regards the British and Australian subsidiaries, the accounts of which are incorporated in the accompanying consolidated financial statements, as indicated in Note 1, we have been furnished the reports of other independent accountants.

In our opinion, based on our examination and on the reports of other independent accountants, the accompanying consolidated balance sheet and statements of consolidated income and surplus present fairly the financial position of H. J. Heinz Company and subsidiaries at May 1, 1957 and the results of their operations for the fiscal year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

June 7, 1957

Reat, Manwick, Mitchell + Co.

# AND SUBSIDIARIES

# STATEMENTS OF CONSOLIDATED INCOME

	Fiscal year ended	
	May 1, 1957 (52 weeks)	May 2, 1956 (53 weeks)
	(32 weeks)	(33 WEEKS)
NET SALES	\$278,852,384	\$262,425,046
	,	
COST OF SALES.	181,927,571	170,487,408
GROSS PROFIT	96,924,813	91,937,638
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES (including management profit sharing plan, \$1,739,781 in 1957)	74,793,849	70,121,011
OPERATING PROFIT (after provision for depreciation of \$3,735,349 in 1957)	22,130,964	21,816,627
OTHER INCOME	829,071	1,266,859
	22,960,035	23,083,486
OTHER DEDUCTIONS—interest.	1,256,512	916,607
	21,703,523	22,166,879
PROVISION FOR TAXES ON INCOME:		
Federal normal and surtax	4,184,681	5,153,900
Foreign income taxes	6,171,910	5,754,000
	10,356,591	10,907,900
	11,346,932	11,258,979
DEDUCT income applicable to minority interests	720,680	675,035
NET INCOME for the year	\$ 10,626,252	\$ 10,583,944

AND SUBSIDIARIES

# CONSOLIDATED BALANCE SHEETS

# **ASSETS**

CURRENT ASSETS:       \$ 6,514,600       \$ 7,279,49         Marketable securities—at cost, approximating market.       — 8,966,48         Accounts receivable:       — 15,400,924       15,588,56         Sundry.       — 1,042,572       1,123,26         Inventories—at average cost or replacement market whichever lower:       — 63,125,062       47,201,53	6
Marketable securities—at cost, approximating market	
Marketable securities—at cost, approximating market	90
Trade, less allowance for doubtful accounts	
Sundry	
Inventories—at average cost or replacement market whichever lower:	
	00
Finished goods	
Work in process	
Ingredient and packaging materials	-
99,315,618 80,727,28	_
Prepaid insurance, supplies, taxes and sundry	-
Total current assets	32
Investment in non-consolidated Spanish subsidiary—at cost, less advances       206,649       206,649         Miscellaneous       807,581       682,46         1,014,230       889,11	57
FIXED ASSETS:	
Land—at cost	20
Buildings and leasehold improvements—at cost, less accumulated depreciation of \$11,949,196 in 1957	25
Equipment and fixtures—at cost, less accumulated depreciation of \$27,611,060	
in 1957	
Lug boxes, baskets and pallets—at cost, less amortization	_
76,418,918 64,206,89	19
\$203,243,640 \$181,894,49	_

AND SUBSIDIARIES

# CONSOLIDATED BALANCE SHEETS

# LIABILITIES, CAPITAL STOCK AND SURPLUS

	May 1, 1957	May 2, 1956
CURRENT LIABILITIES:		
Notes payable and loans on open credit (including portion of long-term debt		
due within one year)	\$ 12,346,612	\$ 1,947,320
Accounts payable and accrued expenses	20,819,759	18,310,717
Estimated liability for Federal and foreign taxes on income	8,703,341	9,670,553
Total current liabilities	41,869,712	29,928,590
LONG-TERM DEBT AND OTHER LIABILITIES:		
2.90% promissory notes—principal due from 1959 to 1969	12,450,000	12,960,000
3.50% serial notes payable—principal due from 1958 to 1961	900,000	_
4.25% promissory notes of Australian subsidiary—principal due from 1958		
to 1976	8,694,016	8,027,649
Liabilities under management profit sharing plan, less portion payable within		
one year	6,067,433	5,173,077
Other non-current liabilities	4,729,050	4,355,500
	32,840,499	30,516,226
MINORITY INTERESTS.	10,614,274	10,224,736
CAPITAL STOCK AND SURPLUS:		
Cumulative preferred stock—authorized 179,893 shares—par value \$100 per share—issuable in series:		
3.65% series—authorized and issued 79,893 shares—held in treasury 696		
shares—outstanding 79,197 shares in 1957 (Note 2)	7,919,700	8,195,600
Common stock—authorized 2,000,000 shares—par value \$25 per share—issued		
and outstanding 1,688,897 shares	42,222,425	42,222,425
Capital surplus	6,356,429	6,341,360
Earned surplus:		
Reserved for future inventory price decline, possible loss in foreign assets	5 000 000	5 000 000
and other contingencies.	5,000,000	5,000,000
Unappropriated (Notes 1 and 3)	56,420,601	49,465,560
	117,919,155	111,224,945
	\$203,243,640	\$181,894,497

AND SUBSIDIARIES

# STATEMENTS OF CONSOLIDATED SURPLUS

	Fiscal ye	ear ended
CAPITAL SURPLUS	May 1, 1957	May 2, 1956
AMOUNT AT BEGINNING.	\$ 6,341,360	\$ 6,339,230
EXCESS OF PAR VALUE over cost of preferred stock purchased or retired	15,069	2,130
AMOUNT AT END.	6,356,429	6,341,360
UNAPPROPRIATED EARNED SURPLUS		
AMOUNT AT BEGINNING.	49,465,560	42,221,716
ADD NET INCOME FOR THE YEAR	10,626,252	10,583,944
	60,091,812	52,805,660
DEDUCT DIVIDENDS PAID:		
On preferred stock—3.65% series	293,417	300,086
On common stock—\$2.00 per share in 1957	3,377,794	3,040,014
	3,671,211	3,340,100
AMOUNT AT END	\$ 56,420,601	\$ 49,465,560

### AND SUBSIDIARIES

# NOTES TO FINANCIAL STATEMENTS

# (1) Principles of consolidation:

The consolidated financial statements, as in prior years, include the company and all operating subsidiary companies with the exception of the Spanish subsidiary. Consolidated net assets were located as follows:

	May 1, 1957	May 2, 1956
United States\$	74,151,671	\$ 74,142,505
Canada	14,097,937	13,952,282
British Isles	25,461,184	20,076,768
Australia	4,208,363	3,053,390
Consolidated net assets\$	117,919,155	\$111,224,945

All assets, except fixed assets, and all liabilities, except long-term debt, of the foreign subsidiaries have been converted generally at rates of exchange prevailing at the end of the fiscal year; fixed assets and long-term debt have been stated at their approximate United States dollar equivalent at the time of acquisition. The realization in U. S. dollars of assets located in the British Isles and in Australia is limited by currency and other restrictions of those countries.

Of the net income for the year \$7,578,784 originated from foreign subsidiaries consolidated.

Operating accounts (other than depreciation which was based upon the approximate equivalent dollar cost of fixed assets) were converted generally at average rates of exchange prevailing during the fiscal year. The income of the company from dividends declared and paid by foreign subsidiaries during the year amounted to \$2,921,127 before foreign taxes on such dividends.

At May 1, 1957, the net assets of the Spanish subsidiary, as shown by unaudited financial statements, amounted to approximately \$70,000.

# (2) Cumulative preferred stock:

The 3.65% series cumulative preferred stock is, until October 1, 1957, callable at \$105.75 per share or redeemable through the sinking fund at a maximum of \$104.25 per share and at decreasing prices thereafter. A payment, not exceeding \$200,000, is required to be made to the sinking fund on or before October 1 of each year.

### (3) Earned surplus:

Under the provisions of the 2.90% promissory notes, the portion of the consolidated earned surplus which is unrestricted as to the payment of cash dividends on the common stock is not less than \$34,458,743.

### (4) Retirement systems:

The amount charged to income by the company and its consolidated subsidiaries for the year aggregated \$1,643,000 with respect to past service and current service costs. Unfunded past service costs at May 1, 1957 amounted to \$1,826,718.

# (5) Commitments and contingencies:

Contracts and purchase orders approximating \$22,200,000 have been executed in connection with the construction programs.

Contingencies exist with respect to matters arising in the ordinary course of business which, however, are not considered to be significant in amount.

AND SUBSIDIARIES

# SUMMARY OF INCOME STATEMENTS

	FISCAL YEARS ENDED		
	May 1, 1957	May 2, 1956	April 27, 1955
Net Sales	\$278,852,384	\$262,425,046	\$234,179,207
Cost of Sales	181,927,571	170,487,408	151,890,465
Gross Profit.	96,924,813	91,937,638	82,288,742
Selling, general and administrative expenses (including management profit sharing plan)	74,793,849	70,121,011	62,740,130
	22,130,964	21,816,627	19,548,612
Other Income—including foreign exchange adjustments	829,071	1,266,859	475,452
	22,960,035	23,083,486	20,024,064
Other deductions—including interest expense	1,256,512	916,607	1,490,028
	21,703,523	22,166,879	18,534,036
Provision for taxes on income	10,356,591	10,907,900	9,147,265
	11,346,932	11,258,979	9,386,771
Deduct income applicable to minority interests	720,680	675,035	604,447
Net Income for the Year	10,626,252	10,583,944	8,782,324
Appropriated for possible future inventory price decline, pos-			
sible loss in foreign assets and other contingencies		_	-
Balance of net income—to earned surplus	\$ 10,626,252	\$ 10,583,944	\$ .8,782,324
Balance of net income per share of common stock—after			
preferred dividends	\$6.12	\$6.09	\$5.02
Cash dividends per share of common stock	2.00	1.80	1.80

<sup>(</sup>A) Per share figures have been adjusted for 1951 and prior years to give effect to the 20% stock distribution in October, 1951.

AND SUBSIDIARIES

# SUMMARY OF INCOME STATEMENTS

		FIS	CAL YEARS ENI	DED		
April 28, 1954	April 29, 1953	April 30, 1952	May 2, 1951	May 3, 1950	April 30, 1949	April 30, 1948
\$220,632,934	\$219,573,998	\$205,991,208	\$189,098,235	\$170,508,252	\$174,877,723	\$169,455,201
149,499,095	147,268,476	139,916,553	124,567,518	116,433,519	120,105,287	118,163,726
71,133,839	72,305,522	66,074,655	64,530,717	54,074,733	54,772,436	51,291,475
57,374,877	58,167,806	55,004,941	48,748,889	45,214,589	43,974,306	40,907,636
13,758,962	14,137,716	11,069,714	15,781,828	8,860,144	10,798,130	10,383,839
124,452	310,310	859,195	1,026,856	173,064	506,953	433,736
13,883,414	14,448,026	11,928,909	16,808,684	9,033,208	11,305,083	10,817,575
1,328,699	1,234,948	931,177	1,053,922	981,293	491,505	291,114
12,554,715	13,213,078	10,997,732	15,754,762	8,051,915	10,813,578	10,526,461
6,657,155	7,374,583	5,010,950	8,197,525	3,567,234	4,291,976	4,493,137
5,897,560	5,838,495	5,986,782	7,557,237	4,484,681	6,521,602	6,033,324
311,884	291,983	174,423	134,702	120,664	70,554	
5,585,676	5,546,512	5,812,359	7,422,535	4,364,017	6,451,048	6,033,324
-	_		_	_	_	1,000,000
\$ 5,585,676	\$ 5,546,512	\$ 5,812,359	\$ 7,422,535	\$ 4,364,017	\$ 6,451,048	\$ 5,033,324
\$3.12	\$3.09	\$3.25	\$4.19(A)	\$2.38	\$3.61	\$2.77
1.80	1.80	1.80	1.50(A)	1.50	1.50	1.50

# HEINZ LOCATIONS THROUGHOUT THE WORLD

# UNITED STATES

PRINCIPAL EXECUTIVE OFFICE: Pittsburgh, Pa.

# SALES OFFICES AND WAREHOUSES

Albany, N.Y.	*Detroit, Mich.	Louisville, Ky.	Portland, Ore.
Atlanta, Ga.	Fort Wayne, Ind.	Memphis, Tenn.	Rock Island, Ill.
Baltimore, Md.	Grand Rapids, Mich.	Miami, Fla.	Salt Lake City, Utah
Birmingham, Ala.	Greensboro, N.C.	Milwaukee, Wis.	San Antonio, Texas
*Boston, Mass.	Hartford, Conn.	Newark, N.J.	Scranton, Pa.
Buffalo, N.Y.	Houston, Texas	New Orleans, La.	Seattle, Wash.
*Chicago, Ill.	Huntington, W.Va.	*New York, N.Y.	Spokane, Wash.
Cincinnati, Ohio	Indianapolis, Ind.	*Oakland, Calif.	*St. Louis, Mo.
Cleveland, Ohio	*Jacksonville, Fla.	Oklahoma City, Okla.	*St. Paul, Minn.
Columbus, Ohio	Johnstown, Pa.	Omaha, Neb.	Syracuse, N.Y.
*Dallas, Texas	Kansas City, Mo.	*Philadelphia, Pa.	Youngstown, Ohio
Denver, Colo.	Knoxville, Tenn.	*Pittsburgh, Pa.	
Des Moines, Iowa	*Los Angeles, Calif.	Portland, Me.	*Regional Sales Headquarters

	W	AREHOUSES	
Allentown, Pa.	Nashville, Tenn.	Providence, R.I.	Toledo, Ohio
Clarksburg, W.Va.	Norfolk, Va.	Savannah, Ga.	Washington, D.C.
Columbia, S.C.	Paterson, N.J.	Sioux City, Iowa	Wheeling, W.Va.
Harrisburg, Pa.	Peoria, Ill.	Tampa, Fla.	Wichita, Kans.
	F	ACTORIES	
Berkeley, Calif.	Fremont, Ohio	Muscatine, Iowa	Tracy, Calif.
Bowling Green, Ohio	Holland, Mich.	Pittsburgh, Pa.	Watsonville, Calif.
Chambersburg, Pa.	Medina, N.Y.	Salem, N.J.	Winchester, Va.

# SALTING HOUSE DISTRICT HEADQUARTERS

Big Rapids, Mich.	Greeley, Colo.	Isleton, Calif.	Portage, Wis.
Fremont, Mich.	Holland, Mich.	Plymouth, Ind.	Saginaw, Mich.

Numerous vegetable and pickle receiving stations operate in the areas surrounding the factories and salting houses.

# CANADA H. J. HEINZ COMPANY OF CANADA, LTD.

HEAD OFFICE: Leamington, Ontario

### SALES BRANCHES

Calgary, Alta. Edmonton, Alta. \*Halifax, N.S. Hamilton, Ont. \*Montreal, Que. Ottawa, Ont. Quebec, Que.

Regina, Sask. St. John, N.B. Sudbury, Ont. \*Toronto, Ont. \*Vancouver, B.C. Windsor, Ont. Winnipeg, Man.

\*Regional Sales Headquarters

FACTORY: Leamington, Ontario

SALTING STATION: Teeswater, Ontario

# **GREAT BRITAIN**

H. J. HEINZ COMPANY, LTD.

HEAD OFFICE: London

### SALES BRANCHES

Belfast Birmingham Bradford Bristol Cardiff Dundee \*Edinburgh Glasgow Hull

Ipswich Leeds Liverpool \*London \*Manchester Newcastle Nottingham Plymouth Preston Rochester Sheffield Southampton

\*Regional Sales Headquarters

FACTORIES: London; Standish; Kitt Green (under construction)

# AUSTRALIA

H. J. HEINZ COMPANY, PTY. LTD.

HEAD OFFICE: Dandenong, Victoria

### SALES BRANCHES

Adelaide, South Australia

Brisbane, Queensland

Dandenong, Victoria

Perth, Western Australia

Sydney, New South Wales

FACTORY: Dandenong, Victoria

# **SPAIN**

H. J. HEINZ COMPANY (ESPANA) S. L.

HEAD OFFICE: Seville

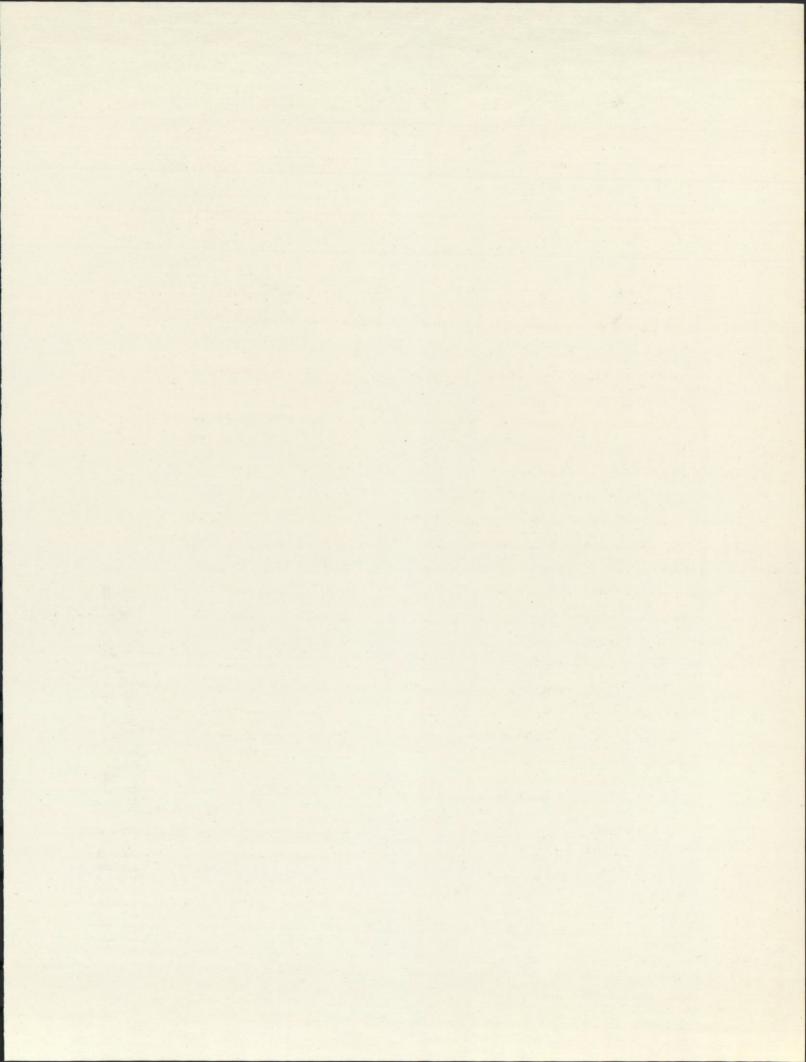
FACTORY: Seville

From these business locations throughout the world, our products are distributed to hundreds of thousands of large and small stores, hotels, restaurants and other institutions in more than 200 countries and territories.

# "THE 57 VARIETIES"

- 1. Heinz Pork & Beans in Tomato Sauce
- Heinz Boston Style Beans with Pork and Molasses Sauce
- 3. Heinz New England Style Beans
- 4. Heinz Vegetarian Beans in Tomato Sauce
- 5. Heinz Campside Beans
- 6. Heinz Chili Con Carne with Beans
- 7. Heinz Condensed Split Pea Soup
- 8. Heinz Condensed Cream of Pea Soup
- 9. Heinz Condensed Cream of Mushroom Soup
- 10. Heinz Condensed Tomato Soup
- 11. Heinz Condensed Cream of Celery Soup
- 12. Heinz Condensed Beef Noodle Soup
- 13. Heinz Condensed Bean Soup
- 14. Heinz Condensed Gumbo Creole Soup
- 15. Heinz Condensed Chicken Soup with Rice
- 16. Heinz Condensed Chicken Noodle Soup
- 17. Heinz Condensed Cream of Chicken Soup
- 18. Heinz Condensed Clam Chowder
- 19. Heinz Condensed Consomme (Chicken)
- 20. Heinz Condensed Beef Soup with Vegetables
- 21. Heinz Condensed Vegetable Soup with Beef Stock
- 22. Heinz Condensed Vegetarian Vegetable Soup
- 23. Heinz Spaghetti, Tomato Sauce and Cheese
- 24. Heinz Macaroni with Cheese Sauce
- 25. Heinz Puddings-Fig and Plum
- 26. Heinz Minute Meals—Beef Goulash, Chicken Noodle Dinner, Chop Suey, Macaroni Creole, Spanish Rice, Beef Stew, Chicken with Dumplings
- 27. Heinz Ready-to-Serve Soups
- 28. Heinz Pickles-Sweet and Sour

- 29. Heinz Genuine Dill Pickles
- 30. Heinz Processed Dill Pickles
- 31. Heinz Kosher Dill Pickles
- 32. Heinz Fresh Cucumber Pickles
- 33. Heinz India Relish
- 34. Heinz Barbecue Relish
- 35. Heinz Hot Dog Relish
- 36. Heinz Hamburger Relish
- 37. Heinz Pickled Onions-Sweet and Sour
- 38. Heinz High Protein Cereal for Babies
- 39. Heinz Pre-Cooked Cereals for Babies
- 40. Heinz Teething Biscuits
- 41. Heinz Strained Orange Juice
- 42. Heinz Strained Fruits
- 43. Heinz Strained Vegetables
- 44. Heinz Strained Meats
- 45. Heinz Strained Desserts
- 46. Heinz Junior Fruits
- 47. Heinz Junior Vegetables
- 48. Heinz Junior Meats
- 49. Heinz Junior Desserts
- 50. Heinz Prepared Yellow Mustard
- 51. Heinz Prepared Brown Mustard
- 52. Heinz Tomato Juice
- 53. Heinz Tomato Ketchup
- 54. Heinz Chili Sauce
- 55. Heinz Sauces-Savory, Worcestershire, 57
- 56. Heinz Dehydrated Horse Radish
- 57. Heinz Vinegars—Cider, White, Malt, Tarragon, Salad



"Our best to you in '57"